

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
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NSC-05 OMB-01 PM-05 USIA-15 OES-07 SP-02 SS-15  
STR-06 TRSE-00 ACDA-12 /114 W  
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R 201525Z JAN 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 5024  
INFO AMEMBASSY PARIS  
AMEMBASSY VIENNA  
AMEMBASSY BRUSSELS  
ERDA WASHDC  
ERDA GERMANTOWN

UNCLAS SECTION 01 OF 03 BONN 01145

USEEC, USIAEA, USOECD

E.O. 11652 N/A  
TAGS: ENRG, GW  
SUBJECT: SECOND REVISION OF THE FRG ENERGY PLAN --  
PROJECTIONS

REF: (A) BONN 20883; (B) BONN A-125

1. SUMMARY: IN CONJUNCTION WITH LATEST REVISION OF THE  
GERMAN ENERGY PLAN (SEE REF A) THE MINISTRY OF  
ECONOMICS CONTRACTED WITH THREE LEADING GERMAN ECONOMIC  
INSTITUTES (GERMAN INSTITUTE FOR ECONOMIC RESEARCH,

BERLIN; RHINISH-WESTPHALIAN INSTITUTE FOR ECONOMIC  
RESEARCH, ESSEN; AND THE INSTITUTE OF ENERGY ECONOMICS  
OF THE COLOGNE UNIVERSITY) TO UPDATE A STUDY ON  
"CONSUMPTION OF ENERGY IN THE FEDERAL REPUBLIC OF  
GERMANY TILL THE YEAR 1990". IN CONTRAST TO AN  
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EARLIER ENERGY PLAN PROJECTION (SEE REF B), THE  
INSTITUTES HAVE IN THE CURRENT STUDY REVISED DEMAND  
ESTIMATES DOWNWARD AND FORESEE SLOWER GROWTH IN  
CONSUMPTION OF PRIMARY ENERGY (PRIMAEREENERGIEVER-  
BRAUCH). THE STUDY SEES CONSUMPTION REACHING A PEAK  
OF 482.5 MILLION METRIC TONS OF HARD COAL EQUIVALENT  
(MIO T SKE) IN 1980, 530 MIO T SKE IN 1990 AND 600

MIO T SKE IN THE YEAR 2000. END SUMMARY.

## 2. ASSUMPTIONS

ASSUMED FOR PURPOSES OF THIS STUDY WERE AN AVERAGE ANNUAL ECONOMIC GROWTH OF 4 PERCENT FOR THE TIME PERIOD 1975 TO 1985 AND OF 3.5 PERCENT OVER THE PERIOD 1985 - 1990. THE FEDERAL GERMAN GOVERNMENT (FRG) TAKES THE VIEW THAT A GROWTH RATE OF THIS MAGNITUDE IS NECESSARY TO RESOLVE PROBLEMS OF UNEMPLOYMENT, SOCIAL SECURITY SYSTEM FINANCING, CONSOLIDATION OF BUDGETS, AND FULFILLMENT OF OTHER IMPORTANT PUBLIC AND ECONOMIC GOALS. (AN ALTERNATIVE ASSUMPTION WAS ALSO WORKED OUT USING .5 PERCENT LESS GROWTH ACROSS THE BOARD).

## 3. PROJECTED DEMAND FOR ENERGY

THE FOLLOWING TABLE OF PROJECTED DEMAND BY MAJOR CONSUMING SECTOR WAS DEVELOPED:

### TOTAL ENERGY DEMAND

(SKE IN MILLION METRIC TONS)

	1975	1985	1990
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	SKE PER- CENT	SKE PER- CENT	SKE PER- CENT
INDUSTRY	84 24	111 23	121 23

TRANSPOR- TATION	46 13	57 12	60 11
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HOUSE- HOLDS	104 30	141 29	147 28
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NON-ENERGY CONSUMPTION E.G. AS RAW MATERIAL	24 7	39 8	43 8
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OTHER (ENERGY 90 PRODUCTION, TRANSMISSION	26	135 28	159 30
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LOSS, ETC)

TOTAL 348 100 483 100 530 100

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R 201525Z JAN 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5025

INFO AMEMBASSY PARIS

AMEMBASSY VIENNA

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THE PROJECTIONS SHOW GROWTH IN CONSUMPTION IN THE INDUSTRIAL SECTOR OF 2.8 PERCENT ANNUALLY FROM 1975 TO 1985 AND 1.6 PERCENT BETWEEN 1985 AND 1990, BOTH LOWER THAN PREVIOUS PROJECTIONS. IN THE PRIVATE SECTOR INCREASE IN ANNUAL AVERAGE CONSUMPTION IS PROJECTED AT 3.1 PERCENT (1975-85) AND 0.9 PERCENT (1985-90). THESE MODEST PROJECTIONS ARE IN STARK CONTRAST TO ACTUAL ANNUAL AVERAGE GROWTH IN CONSUMPTION OF ABOUT 6.1 PERCENT FOR THE PERIOD 1960-75\* THE INSTITUTES ATTRIBUTE MORE MODEST GROWTH PROJECTIONS TO DECLINING POPULATION GROWTH, GOVERNMENT SPONSORED ENERGY SAVINGS PROGRAMS, AND HIGHER COSTS LEADING TO REDUCED DEMAND.

4. IN THE TRANSPORTATION SECTOR, THE INCREASE IN AVERAGE ANNUAL CONSUMPTION IS PROJECTED AT 2 PERCENT

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(1975-85) AND 1.2 PERCENT (1985-90), REFLECTING SATURATION OF THE MARKET DUE TO THE RECENT COMPLETION OF A LARGE NUMBER OF MAJOR TRANSPORTATION PROJECTS. CONSUMPTION OF FOSSILE FUELS FOR NON-ENERGY PURPOSES, E.G. USED AS BASIC RAW MATERIALS IN THE CHEMICAL INDUSTRY, SHOULD EXPERIENCE AN AVERAGE ANNUAL INCREASE OF 0.2 PERCENT (1975-85) AND 1.8 PERCENT (1985-90). IN THE ENERGY CONVERSION SECTOR, THE ANNUAL AVERAGE GROWTH IS ESTIMATED AT 4.1 PERCENT (1975-85) AND 3.4 PERCENT (1985-90).

5. ELECTRIC POWER, BECAUSE OF ITS VERSATILITY FOR INDUSTRY AND PRIVATE USAGE, IS EXPECTED TO EXPERIENCE ABOVE AVERAGE GROWTH IN CONSUMPTION. PROJECTED CONSUMPTION WAS ESTIMATED AS FOLLOWS:

## ELECTRIC CONSUMPTION BY SECTOR

(BILLION KILLOWATT HOURS - KWH)

	1975	1985	1990			
	KWH PER-	KWH PER-	KWH PER-			
	CENT	CENT	CENT			
INDUSTRY	125 41	215 40	255 39			
HOUSE-	119 38	213 40	279 43			
HOLDS						
TRANSPOR-	9 3	15 3	17 2			
TATION						
OTHER	57 18	91 17	104 16			

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(ENERGY PRO-  
DUCTION,  
CONVERSION  
AND TRANS-  
MISSION  
LOSSES ETC).

TOTAL 310 100 534 100 655 100  
ELECTRICAL

UTILIZATION

6. IN ORDER TO MEET THESE NEEDS, THE INSTITUTES  
ASSERT, GENERATING CAPACITY OF ABOUT 110,000  
MEGAWATTS (MW) IS NECESSARY BY 1985 AND 132,000 MW  
BY 1990. OF THIS, 24,000 MW (1985) AND 40,000 MW  
(1990) WILL COME FROM NUCLEAR SOURCES, ACCORDING  
TO THE STUDY. USE OF COAL FOR GENERATION OF  
ELECTRICITY VS EXPECTED TO TOTAL 36 MILLION METRIC  
TONS (MMT) IN 1985 RISING TO 41 MMT IN 1990.

7. PROJECTED FUEL CONSUMPTION BY ENERGY SOURCE,  
CONSISTENT WITH OTHER PROJECTIONS, IS ALSO DOWN  
(13.5 MIO T SKE LESS THAN THE PREVIOUSLY PROJECTED  
FIGURE FOR 1985). ANNUAL AVERAGE GROWTH RATE IN  
CONSUMPTION OF PRIMARY ENERGY BY SOURCE IS  
ESTIMATED AT 3.3 (1975-85) AND 1.9 PERCENT (1985-90). NC  
FUEL CONSUMPTION BY ENERGY SOURCES

(SKE IN MILLION METRIC TONS)

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(PART ONE)

	1975		1985	
	SKE	PER-	SKE	PER-
	CENT		CENT	
OIL	181	52	223	46
COAL	67	19	75	16
LIGNITE	34	10	35	7
NATURAL GAS	49	14	88	18
NUCLEAR	7	2	50	10
OTHER	10	3	12	3
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TOTAL	348	100	483	100
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(PART TWO)

	1990		2000	
	SKE	PER-	SKE	PER-
	CENT		CENT	
OIL	226	43	162	27
COAL	80	15	102	17
LIGNLITE	35	6	38	6.5
NATURAL GAS	89	17	97	16
NUCLEAR	83	16	163	27
OTHER	16	3	38	6.5
TOTAL	530	100	600	100

USING THE ALTERNATIVE ASSUMPTION, CONSUMPTION IS ESTIMATED AT 470 MIO T SKE IN 1985, 515 MIO T SKE IN 1990, WHICH AVERAGES 2-3 PERCENT LESS THAN THE STANDARD ASSUMPTIONS.

8. IN ANNOUNCING THE REVISED ENERGY PLAN, GOVERNMENT SPOKESMEN WERE CAREFUL TO POINT OUT THAT ESTIMATES AND PROJECTIONS CITED WERE NOT OFFICIALLY DESIGNATED GOALS. RATHER, THEY ARE CONSIDERED TO BE

THE BEST AVAILABLE ECONOMIC ESTIMATIONS OF PROBABLE  
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ENERGY DEMAND AND CONSUMPTION UNDER SPECIFICALLY  
ASSUMED LEVELS OF ECONOMIC ACTIVITY FROM NOW  
TILL 1990-2000.

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## Message Attributes

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**Concepts:** POLICIES, AMENDMENTS  
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**Review Event:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
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**TAGS:** ENRG, GE  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014